

21 September 2011

Mr. David McPeak  
Senior Technical Manager  
International Accounting Education Standards Board  
International Federation of Accountants  
277 Wellington Street West, 4th Floor  
Toronto, Ontario, M5V 3H2, Canada

Dear Mr McPeak

**Exposure Draft (ED) on Revised  
International Education Standard (IES) 1,  
Entry Requirements to Professional Accounting Education**

The Institute of Certified Public Accountants of Singapore would like to thank the IAESB for the opportunity to comment on the captioned ED. The IAESB's consistent efforts in revising the IESs in accordance with the new clarity drafting conventions and its 2009 Framework should be highly commended. We strongly support this initiative which aims to improve clarity, ensure consistency and clarify issues to enhance the understanding of accounting educational standards and make them more user-friendly.

Our detailed comments on the revised IES 1 are set out in the attachment for the IAESB's consideration.

We welcome the revised IES 1 as it provides a more inclusive and flexible approach for member bodies to determine the entry points to professional accounting education based on the respective jurisdictions' regulations rather than prescribing a specific entry requirement. We are of the view that the revised standard would facilitate greater autonomy and control of the respective jurisdictions in deciding what is appropriate for their professional accounting sectors. In Singapore, the expectations of the business world and the government on professional accountants are increasingly more demanding amidst a more complex business environment today. Hence, it is expected that a university degree level should be the minimum benchmark for entry into the professional accounting program to uphold the standard of professional accountants and to protect the public interest. Therefore, we support

the revised IES 1 as it allows us to set entry requirements that best befit our local context and market.

The revised IES 1 clearly encapsulates the essence of professional accounting education – that the overall objective of accounting education is the maintenance of appropriate standards of competence within the accountancy profession, and that a mix of input, process and output measures can be adopted to measure the effectiveness of professional accounting education to develop competence.

However, the IAESB may wish to consider the impact of the proposed change to remove the reference to a “recognised university degree program or its equivalent” from the requirement of IES 1. We think that, to a certain extent, some may perceive this as a lowering of standards, as elucidated in our answer to Question 6. It is therefore vital to clarify and stipulate that the intention of the IAESB is not to lower standards.

We do not foresee any significant issues in complying with the revised IES. However, we do envisage that there may be an issue for some IFAC Member Bodies to implement it from June 2013, as explained in our answer to Question 2.

We hope the IAESB finds our comments helpful. If you require clarification on any of our points, please contact the undersigned at [kahpoh.tham@icpas.org.sg](mailto:kahpoh.tham@icpas.org.sg).

Yours sincerely,



*Dr Tham Kah Poh  
Chief Executive Officer  
Institute of Certified Public Accountants of Singapore*

Encl

**Commentary on Exposure Draft (ED) on the  
Revised International Education Standard (IES) 1,  
Entry Requirements to Professional Accounting Education**

**General Comments:**

The proposed changes in IES 1 to be aligned with the IAESB Drafting Conventions and its Framework document (2009) are a move in the right direction. In particular, the adoption of a principles-based approach is supported. The principle of allowing flexible access would provide more flexibility for IFAC member bodies to determine the entry points according to their own socioeconomic demands and market needs, and accommodate those who have limited control over entry requirements due to jurisdictional regulations.

By acknowledging that “universities or governments” may have a part to play in setting the entry requirements to professional accounting education (Explanatory Materials A2), we are of the view that the revised standard would facilitate greater autonomy and control of the individual jurisdiction in deciding what is appropriate for their professional accounting education sector to uphold public interest. In Singapore, the expectations of the business world and the government on professional accountants are increasingly more demanding amidst a more complex business environment today. While we welcome the principle of allowing flexible access to the profession, it is expected that a university degree level should be the minimum benchmark for entry into the professional accounting program to uphold the standard of professional accountants in Singapore and to protect the public interest. We acknowledge that the revised IES 1 has the flexibility to allow us to set a university degree entry requirement that can fit into our context and market.

**Comments on Specific Questions**

**Question 1: Is the requirement in Paragraph 7 clear, particularly the concept of “a reasonable chance of successfully completing” balanced with “not putting in place excessive barriers to entry”? If not, what changes would you suggest?**

Yes, the requirement is generally clear as the concept of “a reasonable chance of successfully completing” has been widely adopted by tertiary institutions in setting out admission requirements. However, further guidance with respect to the interpretation of the term “reasonable chance” would be helpful to IFAC member bodies for adoption or

implementation purposes. For example, it may be useful to suggest or specify time limits for completion or limit the number of attempts for various papers or stages of the examinations, so that candidates can focus their efforts and time to complete the program.

We would like to suggest that the concept of “a reasonable chance of successfully completing” could be balanced with “ensuring maintenance of appropriate standards of competence” instead of “not putting in place excessive barriers to entry”. The essence of professional accounting education, as clearly reflected in Explanatory Materials A3, is the maintenance of appropriate standards of competence within the accountancy profession to uphold public interest. It is the market’s expectation that professional accountants should maintain a suitable level of competence to safeguard the public interest.

We appreciate the concern about the effectiveness and efficiency of channelling resources in protecting the public interest as indicated in Explanatory Materials A4 and reckoned that the entry points should not pose a material impact on public resources, since in most cases, the individual entrants pay their own way and are not typically funded for their professional accountancy education from public coffers.

We also support IAESB’s position as stated in Explanatory Materials A5 and A11 in providing the necessary information and support in helping the individual entrant makes the right decision for his or her own career, as this recognizes and respects the individual’s insights and responsibility in regard to evaluating his or her own chances of success in completing the professional accounting program. Explanatory Materials A9 has also provided good examples of specific criteria which include qualifications, courses, entry tests or experience which can be considered by member bodies in determining entry requirements.

**Question 2: Do you envisage any difficulties in complying with the requirements of IES 1? If so, how would you propose addressing them?**

Our Institute would not have any difficulties in complying with the new requirements as stated in Paragraphs 7 to 9. However, we do envisage that some IFAC member bodies may have difficulties complying with the requirements outlined in Paragraph 7. Member bodies will likely need to review their entry requirements to tighten them if the programme’s completion and pass rates are traditionally low.

A more relaxed entry requirement professional accounting programme is likely to record lower pass rates than others which stipulate a higher educational level. Publishing low rates may be interpreted by candidates that the examinations may be unduly difficult and hence they may be discouraged from taking the programme if they perceive as not being given “a reasonable chance of successfully completing their professional accounting education”.

In addition, such reviews will have to be done such that the revised entry criteria are not seen to contradict with the IES 1 requirement to not have in place “excessive barriers to entry”.

In order to address this, the reviews will have to take on a more holistic approach on not just their entry requirements, but also programme's curriculum, assessment structure and examination policies so as to provide entrants with "a reasonable chance of successfully completing their professional accounting education". This will need more significant investment in time and efforts, and may not be accomplished when the new IES is effective.

Paragraph 8 requires member bodies to "explain the rationale for the specified entry requirements". It would be helpful if additional guidance or illustration could be provided to justify the specified entry requirements. For example, some member bodies may specify that the pre-qualification entry requirement is a university degree or equivalent only and the justification for this explicit limitation to access could be to maintain the quality of the professional accounting programme and to uphold the reputation of the member body, in addition to the regulatory requirements of the jurisdiction (if relevant).

**Question 3: What is the impact in implementing the requirements of IES 1 to your organisation?**

The revisions in IES 1 are timely as Singapore is currently developing a new post-university professional accountancy programme under the oversight of the Government's Pro-Tem Singapore Accountancy Council. The entry requirement would be benchmarked at a university degree level to raise the quality of the candidates the programme is seeking to attract as well as to provide assurance of a candidate's likely success in completing it.

The requirements of IES 1 will be taken onboard in the programme's development. In addition, as the programme is new, prior statistics such as completion and pass rates will not be available to the entrants to facilitate their decision-making and to consider their "reasonable chance of successful completion". We shall endeavour to provide other useful information, such as the detailed competency requirements benchmarked to post-university level and pilot papers, to help prospective students make their decisions.

**Question 4: Are the Explanatory Materials sufficiently clear and comprehensive? If not, what changes do you suggest?**

As mentioned in Question 2, Explanatory Materials A7 can be expanded by providing additional guidance or illustration to elaborate on the rationale behind the entry requirements with reference to the competences needed for successful completion of a programme.

Explanatory Materials A11 should clarify what is considered as "a reasonable chance of successful completion" so as to facilitate member bodies to provide relevant and useful information to help entrants assess their chances of successful completion.

We would like to suggest including some explanation and guidance on “fair and proportionate” entry requirements in the explanatory materials as the word “fair and proportionate” is subjective in nature and would require exercising judgement. In addition, it would be helpful if a standard template such as a self-assessment tool can be made available to help interested individuals to assess their aptitude and chances of success in completing the professional accounting program.

**Question 5: Is the objective to be achieved by a member body, stated in the proposed revised IES 1, appropriate?**

*The objective of this IES is to protect the public interest by establishing fair and proportionate entry requirements that help individuals considering professional accounting education make appropriate career decisions.*

The objective is generally appropriate but more guidance is preferred on the word “fair and proportionate” as commented in Question 4 above.

**Question 6: Have the criteria identified by the IAESB for determining whether a requirement should be specified been applied appropriately and consistently, such that the resulting requirements promote consistency in implementation by member bodies?**

We appreciate the introduction of the concept of “reasonable chance of successful completion” and the removal of the reference to a “recognised university degree program or its equivalent” from the requirement of IES 1. IAESB may wish to consider the impact of the proposed change. In particular, we think that, to a certain extent, some may perceive this as a lowering of standards as university degree entry benchmark has a more widely accepted universal understanding of the underpinning standards expected of professional accountants. Furthermore, the adoption of flexible entry requirements could create a certain degree of latitude which would lead to perceptions of difference standard and quality, especially in geographical locations or jurisdictions where there may be more than one member body administering different professional accounting education programmes. It is therefore vital to clarify and stipulate the intentions of IAESB should not be the lowering of standards.

We would like to suggest that for Explanatory Materials A8, the example referring to “accounting technicians” be deleted as we are referring professional accounting programs for “professional accountants”. You may also wish to consider amending the example in the last line of Explanatory Materials A10 to replace “some years of relevant work experience” to “demonstrated comparable competencies”, as work experience is not universally accepted as a replacement of prior studies. The suggested revised wording would leave it to the IFAC member body to determine how the comparable competencies can be achieved.

**Question 7: Are there any terms within the proposed IES 1 which require further clarification? If so, please explain the nature of the deficiencies.**

It would be useful to explain the term “reasonable chance” and “fair and proportionate” in the IAESB Glossary of Terms to ensure consistent application and interpretation of the principles.

**Comments on Other Matters**

We do not foresee any translation issues arising from the redrafted standard. The proposed effective date may not be sufficient – please see our comments in Question 2. We would suggest that the implementation date be specified as on or after the first day of a month, rather than “June 28”, so as to make it easier to remember.

We recognise that the professional accounting education is continuously evolving to meet the changes and demand in the marketplace. It would be in the interest of member bodies and other interested stakeholders who use the IESs in developing professional accounting programs to assess the success and the relevance of their programs. Therefore, we would like to propose that a feedback mechanism be made available for member bodies to share their development or implementation issues, including any difficulties encountered in complying with the revised standards, to facilitate the transformation of their professional accounting education that meets the objectives of the revised IESs.

Contributed by:

Institute of Certified Public Accountants of Singapore

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